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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

**MAILED**

**JUL 27 2007**

**GROUP 3600**

Application Number: 09/766,438

Filing Date: January 19, 2001

Appellant(s): BARRITZ ET AL.

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Max Moskowitz, Registration No. 30576

For Appellant

**EXAMINER'S ANSWER**

This is in response to the amended appeal brief filed December 26, 2005 appealing from the Office action mailed June 06, 2005.

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**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is incorrect.

Claims 1-4, 6, 8, 10-20, 21-22, 24-42 stand rejected under 35 USC 103. Claims 9 and 23 are not. Claims 5,7, and 21 are canceled.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

US Patent 5,155, 591 Wachob

US Patent 5,721,827 Logan et al

US Patent 6,088, 722 Herz et al

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**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. **Claims 1, 2-4, 6, 8, 10-14, 17-19, 22, 24-26, 28, 31-32, 34, 36, 37, 39-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wachob, US 5155591 in view of Logan et al, US 5721827.**

As to claims 1, 39-41, Wachob discloses:

A public broadcasting system involving broadcasting of live program content divided into segments with intervals separating the segments and advertising content provided in the intervals, the system comprising:  
a broadcasting facility (see at least Fig. 1 "head-end" and associated text)

for broadcasting the live program content and a plurality of receiving devices for receiving the live program content (see at least col.1 lines 27-30) and for playing the live program content to viewers substantially without delay;

advertising players (see at least Fig. 1 ,item 10 and associated text)  
coupled with corresponding ones of the receiving

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devices, the advertising players including a facility for receiving and pre-storing the advertising content (col. 7 lines 39-41 ) ; and

an advertising content inserter operable with the advertising inserter and the receiver for dynamically and interactively inserting portions of the pre-stored advertising content into the live program content being provided to viewers, in a manner that the pre-stored advertising content and the live program content are presented in integrated form to viewers (see at least abstract, Figs. 1 , 5 item60 and associated text; col. 2 lines 59-64; col. 6 line 46 to col. 7 line 45) ;

an interface facility that enables viewers to provide viewer profile data to broadcasters (see at least Fig 2, remote control, and associated text; col. 11 lines 25-35) ; and

a facility in the advertising content inserter (see at least col. 6 lines 46-67, the “converter”) that selects segments from the pre-stored advertising to be inserted in the live broadcast based on viewer profile data of respective viewers (see at least abstract, Fig. 1 and associated text; col. 2 lines 59-64 ).

Wachob does not disclose however Logan discloses (see at least abstract, cols. 9-10, 25-26, Figs. 1-4 and associated text)

“a facility that sets rewards to viewers based on criteria that is associated with the viewer profile data provided by viewers (Logan’s viewers state how much advertising they are willing to experience, which fact is part of their profile, and the system sets different rewards based on the different criteria of those profiles, the rewards being more free content for experiencing more ads; in other words in Logan, the reward is the free programming to watch/listen to; the profile specifies a number of ads to watch which determines a ratio or rate for rewards, i.e. a customer A gets benefit 1 (X minutes of free programming) for watching Y number of ads while customer B gets benefit 2 (Z minutes of free programming) for watching a different number of ads) ;

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and

a control which responds to the rewards set by the rewards facility, in a manner which adjusts the durations of the program content and the durations of the advertising content being provided to the different ones of said viewers based on their corresponding viewer profile data : (in Logan, the respective durations of the program content and the advertising content are adjusted according to the formulas as discussed above).

It would have been obvious to one skilled in the art at the time the invention was made to add those features of Logan to Wachob to allow subsidizing desirable content as taught by Logan ( see at least abstract).

As to claims 2-4 (dependent on claim 1), Wachob discloses the broadcasters include point-to-one, point-to-few, point-to-many broadcasters (cable TV can broadcast to an audience of one, of few, or of many).

As to claims 6, 8, 10, 22, Logan at least implicitly discloses the respective claimed limitations with respect to the rewards due to the nature of the targeted ads disclosed in Logan .The motivation to combine Logan to Wachob has been discussed above.

As to claim 11 (dependent on claim 1), Wachob does not specifically but Logan does disclose the viewers profile data is provided by viewers in accordance with different levels of specified viewer profile detail (users can specify more preferences). It would have been obvious to one skilled in the art at the time the invention was made to add this additional feature taught by Logan to Wachob to enable providing better targeted ads as taught by Logan.

Note that the limitation “so to enable providing different reward levels” is a statement of intended use, does not affect the method step and therefore is not accorded patentable weight.

As to claims 12-14 (dependent on claims 1 and 12),

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Wachob discloses the insertion of the alternate advertising is effected at an interface facility which is a central facility which is operated outside of viewers' homes (see at least col. 8 lines 67 to col. 10 lines 19 ; Figs. 5 and 6 and associated text) or is a gathering device (see at least Fig. 1, "inserter" and associated text).

As to claim 17 (dependent on claim 14)

Wachob discloses the gathering device comprises internal storage for storing program content and a facility that plays program content after a delay (see at least Fig. 5, item 60, and associated text: item 60, the inserter can be a VCR ).

As to claims 18-19 (dependent on claim 12), Wachob discloses the interface facility comprises a device located in the home of the viewer. from a group consisting of setup box, descrambler, VCR, GD, PTV, television receiver, Web browser and Internet appliance (see at least Figs 1, 5 and associated text).

As to claim 24 Logan at least implicitly discloses the rewards are a reduction of the frequency of commercials when the profile indicates less inclination to experience them. The motivation to combine Logan to Wachob has been discussed above.

As to claim 25 (dependent on claim 1), Wachob discloses the viewer profile information is communicated to broadcasters via viewer responses to questionnaires. (see at least col. 1 lines 56-58: "surveys" ).

As to claim 26 (dependent on claim 18), Wachob discloses the viewer profile information is communicated to broadcasters via remote controller messages transmitted to the respective interface facility located at the respective homes of the viewers (see at least col. 1 lines 49-51).

As to claim 28 (dependent on claim 1) Wachob discloses the viewer profile information is communicated to the broadcasters (see at least col.1 lines 48-64).

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As to claims 31-32 (dependent on claim 1), Wachob discloses a facility that selects either the program content or the alternate advertising by Cable TV or satellite signals transmitted to addressable converters or by signals transmitted over the air (see at least col. 1 lines 10-14).

As to claims 34, 36 and 37 (dependent on claim 1), Wachob discloses a facility that identifies viewers who are actually viewing program content (see at least col. 3 lines 1-10), detects viewers' presence near a television set (see at least col. 6 lines 11-15), via a remote controller device operable by the viewers (see at least col. 3 lines 1-10).

**7. Claims 15, 16, 20, 27, 29-30, 33, 35, 38, 40, and 42 rejected under 35 U.S.C. 103(a) as being unpatentable over Wachob and Logan as applied to claims 14 above, and further in view of Herz et al., US 6088722, herein Herz.**

As to claim 15 (dependent on claim 14), Wachob does not specifically disclose the gathering device incorporates internal cellular telephone circuitry that automatically communicates with the broadcasters though it discloses telephone circuitry to do the same (see at least col. 8 lines 51-54; col. 10 lines 36-42). Herz, in the same art discloses however that such wireless substitute is well-known.

*Consider Herz: "Two main hardware implementations for data collection are described herein with reference to the preferred two-way embodiment: telephone system return and CATV system return. Both of these approaches utilize a "wired" return path for data collection. In addition, those skilled in the art will appreciate that several wireless alternatives for data collection are possible. The specific implementation selected depends upon several variables, including the technology in place on the CATV or conventional over air broadcast system, specific polling techniques employed, telephone system flexibility, the required/desired frequency for polling the data, and the level of maintenance*

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*employed on the CATV or conventional over air broadcast system. Details of a telephone system implementation are highlighted in FIGS. 5 and 6."*

It would have been obvious to one skilled in the art at the time the invention was made to add such wireless capabilities as taught by Herz to Wachob depending on the technology in place as taught by Herz above.

As to claim 16 (dependent on claim 15), Wachob does not disclose internal cellular telephones associated with a plurality of viewers are operated as party line telephones. However, Official Notice is taken that it is well-known to use party line telephones when plural users are involved. It would have been obvious to one skilled in the art at the time the invention was made to add such feature to for the above stated advantage.

As to claim 20 (dependent on claim 1), Wachob does not disclose the broadcasters comprises a video-on-demand provider. However Herz does discloses such as parallel to the cable broadcasters as an alternative provider. It would have been obvious to one skilled in the art at the time the invention was made to add Herz to Wachob for the advantage as cited by Herz.

As to claim 27 (dependent on claim 1) Wachob does not disclose the viewer profile information is communicated to the broadcasters via the Internet or through authorized release of data from financial institutions. Official Notice is taken that it is well-known to use the Internet or authorized releases of data from financial institutions to provide profiles. Therefore it would have been obvious to one skilled in the art at the time the invention was made to add these alternate well-known methods of gathering profile information as Wachob discloses using alternate methods of profiling viewers (see at least col. 1 lines 56-62).

As to claim 33 (dependent on claim 1), Wachob does not disclose an encryption software that encrypts viewers' profile information provided by viewers. However, Official Notice is taken that it is well-known to use encryption on consumers profile information to protect



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consumer privacy. It would have been obvious to one skilled in the art at the time the invention was made to add such feature to Wachob for the above stated advantage.

As to claim 35 (dependent on claim 34) Wachob does not disclose the facility that identifies viewers includes a voice recognition facility. However, Official Notice is taken that it is well-known to use voice recognition to passively detect user experiencing programs/ads to monitor the effect of the content/ads on users. It would have been obvious to one skilled in the art at the time the invention was made to add such feature to Wachob for the above stated advantage.

As to claim 38 (dependent on claim 1), Wachob does not specifically disclose a central entity that manages viewer profile information in a manner that protects the confidentiality of viewers identities from the broadcasters. However, Official Notice is taken that it is well-known to protect consumers profile information to protect consumer privacy. It would have been obvious to one skilled in the art at the time the invention was made to add such feature to Wachob for the above stated advantage.

As to claims 29, 30 (dependent on claim 1) Wachob does not specifically disclose a facility that selects either the program content or the alternate advertising by means of a server database and by downloading over the Internet. However, in the analogous art, Herz discloses downloading of programs via Internet and thereby suggests use of server database (see at least col. 52 lines 40-50). It would have been obvious to one skilled in the art at the time the invention was made to add Herz's internet storage/ downloading methods to Wachob to extend Wachob's storage/serving capabilities as suggested by Herz.

As to claim 42 (dependent on claim 39), Wachob does not specifically disclose the broadcasters include a radio broadcaster. However, Herz discloses the video, cable broadcasting embodiments are extendable to radio ones (see at least col. 52 lines 30-45). It would have been obvious to one skilled in the art at the time the invention was made to add radio to Wachob as Wachob had suggested equivalent broadcasting systems can be used with his invention.

**(10) Response to Argument**

At page 3 of the Brief, Applicants first argue the primary reference, Wachob, has no disclosure of any intent to provide or control the dissemination of targeted television commercials based on any reward' criteria or mechanism. It is agreed Wachob does not disclose such but Logan does.

Applicants next argue "the criteria used by the facility that sets rewards to those who provide viewer profile information is designed to increase the level of rewards based on both the quality and quantity of information provided by the viewer. In this manner, targeting of advertising can be very much improved." It is noted all this language is not in the claims.

Next, contrary to argument at pages 3 and 6 , 2<sup>nd</sup> full paragraphs, Logan in effect sets the durations of advertising content in some relationship to the rewards that have been set ( the rewards being the different benefits levels that correspond to the different desired cost levels selected by users) as recited in claim 1.

Further, again contrary to the next argument (Brief, p. 3, 4<sup>th</sup> paragraph) , in Logan, durations of the advertising might be reduced substantially, up to no advertising at all, (see col. 9 lines 5-11: "complete exclusion of advertising" ; col. 10 line 63 to col. 11 line 2: automatic skipping of downloaded ad files), "which would result in less annoyance to viewers", just as argued, based on a reward level defined by a higher "predetermined cost level" ( see more detailed discussion below).

Applicants next argue, in Logan there is no disclosure of ... intertwining a reward with the durations of television or broadcast commercials. On the contrary, Logan actually does disclose intertwining a reward (e.g. a benefit of more free (or lower cost) program content) with

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the durations (longer ads or more ads) of broadcast commercials ( see more detailed discussion below).

Applicants also argue there is no disclosure regarding adjusting the duration of television or broadcast commercials in relation to the content otherwise provided by the viewer. On the contrary, Logan discloses a system downloading a selection of ads and program content targeted to the user which is then stored locally at the player (col. 5 lines 20-36). This downloaded stream or “ content otherwise provided to the viewer “ can then be adjusted, by adjusting the duration of the commercials, based on additional profile data inputted by the user, (which is a desired “predetermined cost level” (col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2);

**It seems Applicants’ main argument is that Logan's is a quid pro quo system which enables users to pay in part for a subscription to program content by agreeing to receive advertising content (Brief page 4, 1<sup>st</sup> full paragraph). In faulting the Examiner, Applicants argue that in Logan , there is no reward and no programming content that is provided for free (Brief page 4, 1<sup>st</sup> paragraph).**

**In response, it is noted Claims 1 and 39 are system or apparatus claims. They should be distinguished by structural elements, and not by the perceptions of humans, such as the Applicants, as to whether rewards or quid pro quo systems are involved.**

The Logan system initially downloads a selection of ads and program content targeted to the user which is then stored locally at the player (col. 5 lines 20-36; col. 6 line 48 to col. 7 line 13; col. 9 lines 39-44 );  
. This downloaded stream can be modified based on additional profile data inputted by the user, which is a “predetermined cost level” or a desired “cost per unit time” ( col. 7 lines 13-21; col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2);

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(Logan's viewers state how much advertising they are willing to experience ( col. 9 line 66 to col. 10 line 5 ), which fact is part of their profile (see col. 10 lines 63: the user chooses a level of ads to experience so "to achieve a predetermined cost level") . **Thus the inputted "predetermined cost level" is interpreted as another profile characteristic of that user).**

Further the "predetermined cost level" effectively determines a benefit level.

The benefit could be seen as :

- 1) experiencing less ads up to no ads at all in exchange for paying a higher cost, or
- 2) experiencing more desired program content up to completely free content in exchange for experiencing more to a lot of ads ( col. lines )

Whichever way one characterizes the benefit (reward or quid pro quo), there is a benefit as shown above, which is determined by the "predetermined cost level" that the Logan user inputs.

According to <http://dictionary.reference.com/search?q=reward>, a reward is a "benefit resulting from some event or action".

**Thus the benefit above is a reward.** In case 2) above, some free program content up to completely free content (as the Examiner interpreted earlier during prosecution) can be obtained by specifying the appropriate desired cost level.

For example, the following scenarios are possible and implicitly taught in Logan:

Customer A specifies at the player system ( see col. 9 line 66 to col. 10 line 5) she desires a minimum cost level of A' \$/minute (i.e. she would like almost free content). This

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cost level A' gets her benefit 1 (X minutes of highly subsidized to almost free programming)

(see col. 9 lines 5-11: "minimum subscription charges" is taught )

(In return she'll have to watch in total Y number or minutes of ads; this may require additional insertion of ads at the player level in addition to the ads already in the downloaded stream, see col. 10 line 63 to col. 11 line 2);

Customer B specifies at the player system ( see col. 9 line 66 to col. 10 line 5) he desires to pay at cost level B'= e.g. \$5/minute. At this cost level B', user B gets benefit 2 (Z minutes of free programming) (in return, e.g., he'll have to watch the ads initially downloaded but the local inserter would not insert more ads, resulting in say W total minutes of ads )

Customer C specifies at the player system ( see col. 9 line 66 to col. 10 line 5) he desires to pay at cost level C'= \$10/minute which is the maximum rate. At this level C', user C gets benefit 3 (Z=0 minutes of free programming but the ads in the initial downloaded stream may be deleted so no ads at all are to be watched (see col. 9 lines 5-11: "complete exclusion of advertising" is taught; also see col. 10 line 63 to col. 11 line 2: automatic skipping of downloaded ad files) .

**Thus in Logan the facility (or program or system or mechanism) which establishes the necessary rules for setting benefits (or rewards) levels (e.g. reward levels 1,2,3, in the examples above) (or looked at, conversely, as the penalty level for experiencing a rate of ads, see col. 25 lines 27-44 ; col. 21 lines 44-53 ) corresponding to 'predetermined cost levels' (e.g. A', B' C' above) is interpreted as the claimed reward setting facility.**

Thus it is interpreted that Logan effectively discloses  
"a facility that sets rewards (e.g. reward levels 1,2,3, as discussed above ) to viewers based on criteria that is associated with the viewer profile data provided by viewers (e.g. the desired "predetermined cost levels" A', B' C', as discussed above)";

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Logan also discloses

**“a control which responds to the rewards set by the rewards facility, in a manner which adjusts the durations of the program content and the durations of the advertising content being provided to the different ones of said viewers based on their corresponding viewer profile data.”**

**The control is the local inserter. The sequence of events , for user A in the above example, would be as follows:**

1)user A sets additional profile data at the player level as being receptive to ads to achieve “a predetermined cost level”, say A’ =minimum \$/minutes;

2) the reward setting facility had already effectively set this “predetermined cost level”, say A’ =minimum \$/minutes, to correspond to a reward level ( e.g. reward level 1 , as discussed above )

3) the control (automatic insertion apparatus: see ( col. 10 lines 2-5 : player/ automatic inserter) responds to the reward set ( e.g. reward level 1) by the rewards facility in a manner which adjusts the durations of the program content and the durations of the advertising content being provided to the different ones of said viewers  
*( the initially downloaded program stream , which is made up of program content and ads of certain durations each, is modified with more ads inserted to achieve in total X minutes of free programming and Y number or minutes of ads, as discussed above. In so inserting , both the durations of the initial program content as well as the durations of the original ads together with the inserted ads would necessarily and effectively be adjusted )*

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In sum, as to claim 1, in addition to the features disclosed by Wachob as discussed in the rejection above (see pages 3-4 above), Logan also discloses:

1. A public broadcasting system, the system comprising:

a facility for collecting viewers' profile data that is used for controlling program and advertisement content delivery to customers (col. 6 lines 48-59),

a facility for providing the viewer profile data to a program and advertising content controlling facility (see at least Fig. 1 items 143= user data; items 145 and 151: "download compilation" and associated text),

a content selector that provides to viewers program content (see at least Fig. 1 items 143= user data; items 145 and 151: "download compilation" and associated text),

an advertising inserter which selects alternate advertising that is intended to selectively replace or supplement commonly provided advertising content, based on the viewer profile data (see at least Fig. 1 items 143= user data; items 145 and 151: "download compilation" and associated text; col. 6 lines 48-59: targeted i.e. "not common" ads are inserted into the downloaded files ),

a facility that sets rewards to viewers based on criteria that is associated with the viewer profile data provided by viewers (col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2; see discussion above);;

and

a control ( col. 10 lines 2-5 : player/ automatic inserter) which responds to the rewards set by the rewards facility, in a manner which adjusts the durations of the program content and the durations of the advertising content being

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provided to the different ones of said viewers based on their corresponding viewer profile data ( see discussion above).

**As to claim 39-41, in addition to the features disclosed by Wachob as discussed in the rejection above, Logan discloses:**

**Claim 39:**

A public, over the air, broadcasting system involving broadcasting of live program content divided into segments with intervals separating the segments and advertising content provided in the intervals ( see at least abstract, Figs. 1, 4 and associated text) , the system comprising:

a broadcasting facility (fig 1 item 101 and associated text) for broadcasting the live program content over the air and a plurality of receiving devices (Fig. 1 item 103) for receiving the live program content and for playing the live program content to viewers substantially without delay ( see at least abstract, Figs. 1, 4 and associated text);

a respective advertising player coupled with and located at a corresponding one of the receiving devices (see at least Fig. 2 item 212 and associated text; “playback unit at user location”, see abstract ) ,

the advertising player (see at least Fig. 2 item 212 and associated text) including a facility for receiving and pre-storing the advertising content (Fig. 1 item 107: player’s local storage unit and associated text; Fig. 2 item 207: download of ads and programs to user’s player; col. 5 lines 20-22; col. 5 lines 36-49; col. 6 lines 32-44)

; and

an advertising content inserter responsive to viewer profile information and operable with



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the advertising player and the corresponding receiver for dynamically and interactively inserting portions of the pre-stored advertising content into the live program content being provided to a viewer, in a manner that the pre-stored advertising content and the live program content are presented in integrated form to the viewer, and based on the viewer profile information (col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2; see discussion above).

Claim 40: an interface facility that enables viewers to provide viewer profile data to broadcasters ( Logan, col. 6 lines 48-59).

Claim 41. a facility in the advertising content inserter ( col. 10 lines 2-5 : the program or facility or mechanism in the player/ automatic inserter) that selects segments from the pre-stored advertising to be inserted in the live broadcast based on viewer profile data of respective viewers (Logan, col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2; also see discussion above).

**Thus all the features claimed in claims 1 and 39-41 are disclosed by the combination of Wachob and Logan (or even Logan alone). Applicants do not challenge the motivation to combine the two references.**

At page 4, Applicants also argue that “ unlike applicant's claim 1, Logan does not regard the quality and quantity of information. Instead it is about money.” It is noted first claim 1 does not mention quality and quantity of information . Secondly by adjusting the ads durations and quantities, Logan in effect affects the quality and quantity of information. That money is involved in Logan does not deflect from that disclosure.

Applicants also take issue with Logan’s disclosures of “complex” accounting , analysis reports, and billing “ based on payment that is conditionally received from advertisers (based upon a user's agreement and the user's subscription fees).”

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However, all that is irrelevant to the system structure disclosed by Logan which closely match apparatus claims 1 and 39-41. It is also noted both independent claims use the term "comprising" which is open-ended and allows including additional elements to the system.

As to Claims 4, 6, 8, 10-14, 17-19, 22, 24-26, 28, 31-32, 34, 36, and 37, they depend directly or indirectly from claim 1, and are, therefore, unpatentable for the same reasons. No further arguments are presented as to these dependent claims.

It is next argued, as to independent claim 39 (Brief, page 5) , Wachob does not teach a public "over the air, broadcasting system" which divides "live program content" into segments with intervals of advertising content. However Wachob teaches this (abstract, Figs. 1 , 5 item 60 and associated text; col. 2 lines 59-64; col. 6 line 46 to col. 7 line 45; see discussion pages 3-4 above).

At Pages 5-6 of the Brief, it is argued, as to claim 39, that an advertising player that is "located" at a receiving device, and includes a "facility for receiving and pre-storing the advertising content." is not disclosed either by Wachob or Logan. However, both Wachob (col. 7 lines 39-45 ). and Logan (see discussion pages 16-17 above) teach this.

It is also argued claim 39 defines "an advertising content inserter" that is operable with the advertising player and a receiver for "dynamically and interactively inserting portions of the pre-stored advertising content into the live program content and the prior art does not disclose such. However, this is disclosed by Wachob (see at least col. 6 lines 46-67, the " converter" ) as well as by Logan, ( col. 9 line 65-col. 10 line 5; col. 10 l. 63-col. 11 line 2; see discussion pages 16-17 above).

Therefore for the aforementioned reasons, the prior art of record clearly discloses applicant's claim 39.

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Rejection under 35 U.S.C. § 103(a) under Wachob and Logan and further in view of Herz.

As to claims 15, 16, 20, 27, 29-30, 33, 35 and 38, it is argued Herz does not teach or suggest intertwining a reward with the duration of television or broadcast commercials. It is also argued there is no disclosure regarding adjusting the duration of television or broadcast commercials in relation to the content otherwise provided by the viewer (Brief, page 6). However, all this is disclosed by Logan (see above, page 10, 3<sup>rd</sup> full paragraph to page 11, 1<sup>st</sup> full paragraph) thus Herz needs not disclose such.

Therefore, claims 15, 16, 20, 27, 29-30, 33, 35 and 38 are unpatentable.

As independent claim 39 is fully disclosed by Wachob and/or Logan as discussed above, and no further arguments are presented, thus claims 40 and 42, as well as other claims dependent on 39 are unpatentable as well, for the reasons presented above.

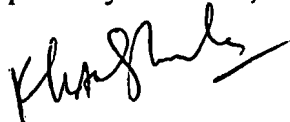
### **Conclusion**

In sum, Wachob and Logan, and further Herz, taken in combination, do teach or suggest all of the features of applicant's claims. The claims are system or apparatus claims. They should be distinguished by structural elements, which are fully disclosed by the combination (s) as applied, as shown above, and not by the perceptions of humans, such as the Applicants, as to whether rewards or quid pro quo systems are involved.

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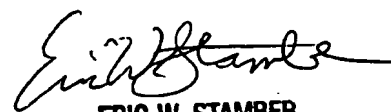
For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Khanh H. Le

April 16, 2007



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**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.